

Message Text

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ACTION ARA-14

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INR-10 LAB-04 NSAE-00 SIL-01 HA-05 /050 W
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R 111133Z MAR 78
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 6519
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO
AMEMBASSY ASUNCION
AMEMBASSY BUENOS AIRES
AMEMBASSY MONTEVIDEO

C O N F I D E N T I A L SECTION 1 OF 2 BRASILIA 1923

E.O. 11652: GDS
TAGS: ELAB, PINT, BR
SUBJECT: SENATOR PORTELLA "DIALOGUES" WITH UNION LEADERS

BEGIN SUMMARY: IN MID-FEBRUARY, SENATE PRESIDENT PETRONIO PORTELLA REOPENED HIS DIALOGUE" WITH DIVERSE SECTORS OF THE POPULATION AFTER A TWO-MONTH RECESS WHICH WITNESSED, AMONG OTHER THINGS. THE NAMING OF SNI CHIEF GENERAL FIGUEIREDO AS PRESIDENT GEISEL'S SUCCESSOR. PORTELLA ANNOUNCED THAT THE ESSENTIALLY "LISTENING" PHASE OF HIS MISSION WAS OVER, AND THAT DURING THIS STAGE OF THE DIALOGUE HE WOULD BE SEEING REPRESENTATIVES OF THE SAME GROUPS HE VISITED LAST FALL, TO WHOM HE WOULD BE PRESENTING FOR DISCUSSION AND COMMENT DISTILLATIONS OF THE VIEWS AND SUGGESTIONS HE COLLECTED IN HIS EARLIER ROUNDS. PORTELLA SAID THAT HIS INTER-LOCUTORS' COMMENTARY WOULD BE CONSIDERED IN THE SUBSEQUENT FORMULATION OF CONCRETE PROPOSALS FOR POLITICAL CHANGE THAT HE WOULD THEN SUBMIT TO PRESIDENT GEISEL. HE ADDED THAT HIS CURRENT TARGET DATE FOR SUBMISSION TO THE PRESIDENT IS AROUND APRIL 15, ABOUT ONE WEEK AFTER THE APRIL 8-9 ARENA NATIONAL CONVENTION THAT WILL FORMALIZE FIGUEIREDO'S "CANDIADCY" FOR THE PRESIDENCY.

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THE MOST INTERESTING SESSIONS PORTELLA HAS HAD TO DATE, AT LEAST AS FAR AS THE PRESS COVERAGE THEY HAVE RECEIVED IS CONCERNED, TOOK PLACE IN FEBRUARY WITH STATE AND LOCAL UNION LEADERS FROM BRASILIA WITH THE LEADERSHIPS OF THE GOVERNMENT-TIED NATIONAL UNION CONFEDERATIONS. IN HIS TWO MEETINGS WITH THE PAULISTAS -- ONE WITH 26 SAO PAULO UNIONISTS ACCOMPANIED BY STATE LABOR SECRETARY JORGE MALULY, THE OTHER WITH SAO BERNARDO METALLURGICAL UNION PRESIDENT

LUIS INACIO DA SILVA -- PORTELLA HEARD HIS INTERLOCUTORS PRESS FOR REFORM ON THE GOVERNMENT'S HIGHLY RESTRICTIVE POLICIES TOWARD ORGANIZED LABOR, TO INCLUDE SPECIFICALLY DIRECT COLLECTIVE BARGAINING AND BROADENING OF THE RIGHT TO STRIKE. PORTELLA REPLIED THAT THE FIRST STAGES OF THE GOVERNMENT'S REFORMS WILL BE LIMITED TO CONSTITUTIONAL CHANGES AND THAT OTHER AREAS -- SUCH AS MODIFICATION OF THE CONSOLIDATED LABOR LAWS -- WILL ONLY COME UNDER REVIEW AT A LATER PERIOD. THE DISCUSSIONS POINTED UP ONE OF THE DILEMMAS OF ORGANIZED BRAZILIAN LABOR: PROHIBITED FROM ENGAGING IN NORMAL UNION PRESSURE TACTICS, SUCH AS STRIKES, OR ANYTHING REMOTELY RESEMBLING POLITICAL DISCUSSION OR ACTIVITY, ALL IT CAN DO IS TALK ABOUT REFORMS IN THE LABOR CODE WHICH WILL NOT OCCUR UNLESS THERE IS A MUCH BROADER, GENERALIZED POLITICAL OPENING. LABATT SAO PAULO HAS PREPARED THE FOLLOWING REPORT ON THE TWO MEETINGS. END SUMMARY.

1. UNION LEADERS MEET SENATE PRESIDENT: REPRESENTATIVES OF 26 SAO PAULO UNIONS MET FEBRUARY 14 WITH SENATE PRESIDENT PETRONIO PORTELLA FOR A TWO-HOUR DISCUSSION OF LABOR MATTERS. THE UNION LEADERS RAISED THE FOLLOWING SUBJECTS:

IN EQUALITIES IN NATIONAL INCOME DISTRIBUTION;

LACK OF TRADE UNION FREEDOM;

REQUEST FOR THE RIGHT FOR DIRECT LABOR/MANAGEMENT CONTRACT
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NEGOTIATIONS;

REQUEST FOR THE RIGHT TO STRIKE;

REQUEST THAT THE LABOR LAW BE CHANGED IN ORDER TO REDUCE MANagements' CURRENT INCENTIVE TO LOWER WAGE COSTS BY MAINTAINING A HIGH RATE OF LABOR TURNOVER.

2. METALLURGICAL WORKERS FAVOR LABOR PARTY: THE DELEGATION INCLUDED SAO PAULO CITY METALLURGICAL FEDERATION PRESIDENT JOAQUIM DOS SANTOS ANDRADE, WHO TOLD A REPORTER THAT THE UNIONS WANT TO CREATE "OUR OWN POLITICAL PARTY WHICH WILL ASSURE US A FORUM WHERE WE CAN ACCURATELY PRESENT THE PROBLEMS OF THE WORKERS." SENATE PRESIDENT PORTELLA LATER TOLD THE PRESS THAT THE SUBJECT OF THE POSSIBLE FORMATION OF A LABOR PARTY WAS NOT DISCUSSED IN THE MEETING.

3. PROMINENT ROLE OF SAO PAULO STATE LABOR SECRETARY: THE LABOR LEADERS WERE SHEPHERDED INTO PORTELLA'S OFFICE BY SAO PAULO STATE SECRETARY FOR LABOR JORGE MALULY NETO, WHO LATER ACTED AS SPOKESMAN FOR GROUP WITH THE PRESS. MALULY NETO STATED THAT MEETING WAS A UNIONS' INITIATIVE IN AN EFFORT "TO PERSUADE THE GOVERNMENT

TO REFORMULATE ITS LABOR POLICIES."

4. PORTELLA MAINTAINS FIRM LINE: IN A TERSE STATEMENT FOLLOWING THE MEETING, THE SENATE PRESIDENT INDICATED THAT THE FIRST PRIORITY MUST BE "THE INSTITUTIONAL REFORMS WHICH CONDITIONS THE LIFE OF THE COUNTRY. THE REST WILL FOLLOW AS A CONSEQUENCE." HE STATED THAT HE HAD "LISTENED" TO THE UNIONS AND THAT SUCH CONTACTS NEEDED TO BE REPEATED. THE UNIONS ARE LATER TO PRESENT PORTELLA A PAPER RESTATING THEIR POSITIONS.

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C O N F I D E N T I A L SECTION 2 OF 2 BRASILIA 1923

5. LULA MEETS SENATOR PORTELLA: LUIS INACIO DA SILVA ("LULU"), PRESIDENT OF THE SAO BERNARDO METALLURGICAL UNION, MET WITH PORTELLA FOR AN HOUR AND A HALF ON FEB 16. LULA WAS ACCOMPANIED BY THE UNION'S

LAWYER, ALMIR PAZZIANOTTO PINTO. EVEN THOUGH HIERARCHICALLY LULA IS MUCH LESS IMPORTANT THAN THE LEADERS OF THE 26 UNIONS WHO MET WITH PORTELLA TWO DAYS EARLIER, HIS SEPARATE MEETING WITH PORTELLA UNDERLINED HIS CAREFULLY NUTURED INDEPENDENT POSITION. LULA UNDERLINED THE CONTRAST BY COMMENTING TO THE PRESS THAT HE CAME TO BRASILIA "WITHOUT TUTORS AND WITHOUT INTERMEDIARIES."

6. SUBSTANCE OF LULA'S MEETING: LULA PRESENTED PORTELLA A FOUR-PAGE STATEMENT (TEXT POUCH) OF LABOR'S OBJECTIVES, INCLUDING:

DESIRE FOR A FREE, AUTONOMOUS LABOR MOVEMENT;

CALL FOR THE REPEAL OF ARTICLE 553 OF THE LABOR CODE WHICH AUTHORIZES

VARIOUS LEVELS OF RESTRAINTS ON ORGANIZED LABOR, UP TO THE REPLACEMENT OF UNION LEADERS AND THE CLOSURE OF UNIONS;

CALL FOR DIRECT COLLECTIVE BARGAINING;
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CALL FOR THE RIGHT TO STRIKE;

STEPS TO END MANAGEMENT'S PRACTICE OF REPLACING HIGHER PAID EXPERIENCED WORKERS WITH CHEAPER NEWLY HIRED WORKERS, RESULTING IN HIGH RATES OF LABOR TURNOVER.

7. RESULTS OF MEETING: LULA OBTAINED NO MORE POSITIVE RESULTS FROM HIS MEETING WITH PORTELLA THAN DID THE OTHER SAO PAULO UNION LEADERS. PORTELLA'S STATEMENT FOLLOWING THE DISCUSSION AGAIN EMPHASIZED THE NECESSITY OF FIRST CARRYING OUT BASIC NATIONAL REFORMS, INCLUDING CONSTITUTIONAL REFORM, BEFORE THE PROBLEMS OF THE LABOR SECTOR COULD BE ADDRESSED.

8. COMMENT: THE FACT THAT STATE LABOR SECRETARY MALULY NETO ARRANGED THE MEETING WITH PORTELLA, AND LATER ACTED AS SPOKESMAN FOR THE GROUP, UNDERLINES BRAZILIAN LABOR'S SUBORDINATE RELATIONSHIP TO THE GOVERNMENT. SOME UNION LEADERS ARE RECONCILED TO THEIR LIMITED FUNCTION; OTHERS WERE PRESENT BUT ALMOST CERTAINLY RESENTED THE ROLE THEY WERE OBLIGED TO PLAY.

9. LULA HAS AN UNUSUAL ROLE IN THE BRAZILIAN LABOR MOVEMENT, THAT OF A LABOR LEADER WHOSE STRENGTH IS BASED PRIMARILY ON RANK AND FILE SUPPORT AND WHO IS INDEPENDENT OF LINKS TO THE GOVERNMENT. AS SUCH HE IS THE FOCUS OF CONSIDERABLE PUBLIC ATTENTION. LULA IS PLAYING HIS CARDS CAREFULLY. HE HAS AVOIDED COMMENTS ON POLITICAL ISSUES AND DENIED INTEREST IN THE FORMATION OF A LABOR ORIENTED POLITICAL PARTY. HIS PUBLIC STATEMENTS ARE IN MODERATE, NON-POLEMICAL TONES. EVEN SECOND ARMY COMMANDER GEN. DILERMANDO MONTEIRO HAS COMMENTED PUBLICLY THAT HE SUPPORTS LULA'S ROLE AS A NON-POLITICAL LABOR LEADER. THE NET RESULT OF LULA'S INDEPENDENT STANCE, HOWEVER, IS TO CARRY GOVERNMENT AND LABOR GRADUALLY CLOSER TO THE POINT WHERE THE GOVERNMENT WILL EITHER HAVE TO
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TOLERATE A SMALL DE FACTO EXPANSION OF TRADE UNION POWER OR ELSE FIND A WAY TO STEM LULA'S GROWING INFLUENCE.
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Message Attributes

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